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PRESS RELEASE

USAID Supports Public Private Partnership for Local Economic Development

On July 25, 2008, the Municipality of Probistip, in cooperation with USAID Macedonia's Local Government Activity Project and the local non-governmental organization (NGO) "Civil Perspective," signed a grant agreement to co-fund the development of a feasibility study for the first public-private-partnership (PPP) model planned to be implemented by a municipality in Macedonia. In compliance with the newly enacted law for Public-Private-Partnership and Concessions, the feasibility study will analyze and recommend the most suitable model for constructing and managing the Farmer's Market and Business Center in Probistip.

"From the perspective of USAID Macedonia's Local Government Activity Project, this is the first public private partnership grant agreement signed with a municipality. We believe that with the additional authorities, responsibilities and resources transferred to municipalities in the process of decentralization, the potential to improve the local economy and help create jobs is greatly enhanced. This project will be an excellent example," Chief of Party Duane C. Beard said in his remarks at the grant signing ceremony.

The establishment of the Farmer's Market and Business Center in Probistip should attract well-known trade houses and brands which will offer more quality goods and services. This public private partnership will improve business conditions for 30-40 small and medium-sized enterprises. When fully operational the PPP is expected to have a positive impact on the economy and will decrease unemployment. During the construction period, approximately 150-200 short-term construction jobs will be created. All these forecasts for the benefit of this local economic development project are based on the priorities from the Municipal Capital Investment Plan and the Strategy for Local Economic Development of Probistip municipality.

USAID Macedonia's Local Government Activity helps Macedonian municipalities by supporting the development of the intergovernmental finance system; improving municipal financial management capacities; strengthening the creditworthiness of municipalities; improving tax and fee collection; helping municipalities stimulate local economic development; and increasing local government transparency and accountability.

NOTE TO EDITORS:

The American people, through USAID, have invested nearly \$500 million in Macedonia since 1993. USAID is implementing projects that create jobs, reduce corruption, and prepare Macedonian students for the workforce. These initiatives improve the quality of life and support Macedonia's transition to a stable and prosperous democracy. USAID provides economic and humanitarian assistance in more than 100 countries. For more information please visit <http://macedonia.usaid.gov>.